

Good afternoon,

I would like to start today by thanking the Department of Treasury for hosting this event and taking the opportunity to seek public comment on the Digital Accountability and Transparency Act. I would also like to acknowledge the Office of Management and budget for making similar efforts to reach out to interested stakeholders in recent weeks.

My name is Matt Rumsey and I am a policy associate at the Sunlight Foundation.

The Sunlight Foundation is a non-partisan, non-profit organization that harnesses the power of technology to fight for a more more open, accountable, and effective government.

As you know, the DATA Act was passed, in part, to ensure better public access to government spending information.

Receiving public input isn't just part of the law, it is vital to properly implementing the legislation in the spirit that it was written.

Sunlight has been interested in the state of federal spending information for a number of years. We would like to think that, incessant nagging on our blog aside, some of our projects have helped us arrive at this point today.

Our Clearspending report took a look at the public data posted on USASpending.gov and found some disturbing discrepancies when compared to other sources of federal spending information.

The DATA Act is poised to help solve some of these problems by making federal spending data more accessible, accurate, and useful.

Another project, 6 Degrees of Corporations highlighted the need for consistent and open corporate identifiers to help track entities that do business with the federal government. The DATA Act could make that possible, something I will to highlight today.

The Sunlight Foundation strongly believes that federal spending transparency is vital for an accountable and effective government.

Those inside and outside government need access to accurate, consistent, and standardized data about spending in order to root out waste, fraud, and abuse.

To that end, I will outline and urge you to consider two key initiatives as you move forward with implementation of the DATA Act.

First, when compiling the data standards required under the DATA Act, take the opportunity to embrace a more open, accountable, and adaptable system for providing unique identifiers to entities doing business with the federal government.

Second, you can make your policy in the open. Events like this are a great start. But, today's technologies allow for a more continuous, open process that will result in better, more informed policy.

Let's start with some big news about unique identifiers. Recovery.gov will not be renewing its license with Dun and Bradstreet.

We are losing a large chunk of data and functionality from the website, highlighting the need for a less restrictive system for identifying entities.

There's a quick solution to this -- stop using DUNS numbers. I'll explain why that's necessary and also not as hard as it seems.

The DATA Act requires government-wide financial data standards for Federal funds that include "identifiers for Federal awards and entities receiving Federal awards."

The Federal Acquisition Regulation currently requires all entities receiving Federal awards to register for a Data Universal Numbering System (DUNS) number.

DUNS is a worldwide entity identifier system, managed by Dun and Bradstreet, that registers over 100 million businesses worldwide.

Unfortunately, DUNS has limited utility as a transparency tool -- or even a tool to track entities government wide -- and comes with a high cost to us all.

News recently broke that Recovery.gov would be losing a significant amount of data at the end of this month because the Recovery Accountability and Transparency Board decided against renewing its contract with Dun and Bradstreet. Saving \$1.4 million dollars, but costing Americans a huge amount of essential information in the process.

I retell this story, not to praise DUNS, but to highlight the serious problems with our reliance on a proprietary entity tracking system managed by a for-profit company that sells a variety of other services to the government at the same time.

For instance, there is not one government-wide license for DUNS numbers. Instead, individual agencies and offices that want to access and use the numbers have to purchase their own licences, leading to problems like the one with recovery.gov

Merely negotiating with Dun and Bradstreet for a government-wide license won't solve other major problems associated with giving them a monopoly on entity tracking.

In 2012, the Government Accountability Office looked into GSA's relationship with Dun and Bradstreet and outlined a number of problems associated with DUNS.

The complete reliance on DUNS numbers -- specifically the fact that it is a proprietary system leads to higher costs, restrictions on use, diminished accountability, and suffocated innovation.

I'll note here that I have yet to meet a federal employee who was glad that our country's financial accountability was dependent on DUNS

In order to effectively track entities doing business with the federal government, keep costs to a minimum, and ensure accountability in contracts and grants, the Federal government should move towards an open entity identifier.

At the time of GAO's report on the topic, they indicated that GSA was exploring the feasibility of using a government-owned entity identifier, but were not able to estimate the potential cost associated with doing so.

Since then, multiple international efforts have begun to track entities in an open and free way. Most notably, the Global Legal Entity Identifier System has been endorsed by the G20. It's oversight committee includes members from all over the world and has representatives from the Department of Treasury, Securities and Exchange Commission, Federal Reserve System, and other notable US bodies.

While compiling data standards to comply with the DATA Act, Treasury and OMB, along with GSA and other agencies, should embrace the LEI or a similar, open system.. Even if it means amending the FAR, ruffling some feathers, or spending money in the short term, it will be invaluable.

The fixed costs of working with DUNS are too high, and though there may not be an obvious strategy for withdrawal from such a closed, proprietary system, the DATA Act gives you the power to change direction.

We are happy for today's opportunity to present to you on DATA Act implementation, but there are myriad other options for a more transparent policy making process.

You could post drafts of your policies on GitHub or another feedback platform. You could change what it means to seek public comment. You could give Americans all over the country an equalized footing for input.

The DATA Act passed to improve the quality and amount of Federal spending information available to the public.

As Treasury and OMB move to implement the legislation, one of their most important stakeholders must be that same public.

Successful implementation will depend on public input at every step of the process.

Events like today's are a good step towards recognizing that and I hope there are more like it in the future, but more should be done.

To truly engage with DATA Act stakeholders, Treasury and OMB must conduct their policymaking process in an open and transparent manner, accepting feedback not just during occasional face-to-face meetings, but online, in real time.

This may sound daunting, and it is surely a new way to think about making policy, but it's not just possible -- it works.

Some of your colleagues at OMB and the White House Office of Science and Technology Policy have embraced this idea as they work to implement President Obama's Open Data Executive Order.

Project Open Data, as they call it, resides publicly on Github where everyone not only sees changes to the policy and guidance as they are made, but can also propose changes of their own.

This has led to better communication among government actors and between the government and outside stakeholders. It has helped avoid the type of underinformed decisionmaking that takes place behind closed doors and the conflict that is common when policy decisions are only announced publicly after they have been locked into place.

Now, Github as a platform is oriented towards a more technical audience and may or may not be the ideal location for the type of effort I describe, but it is far from the only option.

In the interest of time, I'll highlight just one other.

Madison, a project of the OpenGovFoundation, is a "free online document-editing platform that lets you comment, ask questions about, and suggest changes directly" to legislation and other government documents.

It has already been deployed for legislation in the House of Representatives as well as the Washington, DC City Council.

It is user friendly, open source, and could easily be used to post documents and gather ongoing feedback on DATA Act implementation -- all while retaining full control over the final content.

Imagine never having to read a cover letter from the Sunlight Foundation again -- you and the public could simply interface in a new, better, and more transparent way.

Imagine hearing not only from folks based in DC and those able to make the trip down for events like this, but also from the rest of the country? What does Silicon Valley have to say? Or Texas? Or Maine?

While face to face interactions are a vital part of seeking public feedback, it is also important to recognize that coming to DC to participate in an event like today's is a rare luxury.

New technologies can erase this geographical isolation and ensure that all the relevant voices are heard.

To summarize, DATA Act implementation provides you with an opportunity to improve the quality of federal spending data, fix a longstanding problem with the way that our government tracks the entities that it does business with, embrace a new way of obtaining public feedback, and drag the government into the 21st century.

Thank you again for taking the time to hear public perspectives on DATA Act implementation. I will be happy to answer any questions you may have about my presentation.

